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| logo-black | | **Board Meeting** | **02/10/2020** | |
| **Agenda Item** | **7** | |
| **Subject** | **Appointment and Performance Management of Non-Executives excl. Board Members and Independent Non-Executives of Committees** | | |
| **Purpose** | **For Decision** | | |
| **From** | **Remuneration and Appointments Committee** | | |
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| **1.** | | | **Summary** | | |
| This paper sets out a proposal for the appointment and performance management of non-executives, excluding Board Members and Independent Non-Executives of Committees.  The Remuneration and Appointments Committee discussed the proposals outlined in **Annex A** at is meeting on 21 September 2020 and make the following recommendations: | | |
| **2.** | | | **Recommendations** | | |
| That the Committee make the following recommendations to the Board: | | |
|  | | Agrees to the plan outlined in **Annex A.** |
|  | | |  | | Agrees that no appointee can serve more than eight years without a four year break (as outlined in 5 ix below). |
|  | | |  | | Agrees that no member of the Board or Independent Non-Executives of Committees are able to serve any other functions listed in **Annex A** .Further details are outlined in 5 (x) below. |
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| **3.** | | | **Open session** | | |
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| **4.** | | | **Contribution to the Board’s Purpose and Objectives** | | |
| In delivering the Act, ARB’s objectives are: | | |
| Protect the users and potential users of architects’ services  Support architects through regulation. | | |
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| **5.** | | **Background** | | | | |
|  | | In April 2019, the then newly appointed Chair of the Board took a decision that any non-executive appointments should be exclusively made by Board members, and that the Executive should have no involvement in the process. | | |
|  | | This change in approach would require a significant increase in Board members’ time, as well as requiring disproportionate time and a complex process for the performance management of these 70+ individuals. | | |
|  | | Following further discussions with the current Chair of the Board and the Chair of the Remuneration and Appointments Committee, it was agreed that a more balanced proposal should be put forward in relation to Board and Executive involvement; acknowledging that the Executive would have a more direct responsibility to manage the performance of appointed individuals. | | |
|  | | The term ‘non-executives’ was introduced by the former Chair of the Board; however in reality this group of key advisors is a diverse one, and requires a flexible plan that sets out the various appointed non-executive groups and the process for their appointments and performance management. | | |
|  | | All non-executives are paid via payroll and appropriate tax deductions are made from their payments. There are a couple of exceptions to this however, this is reviewed prior to any selection process commencing. | | |
|  | |  | | The recruitment process will be led by the Executive and input sought from the portfolio Board member for the specific appointment remit. | | |
|  | |  | | The Board’s performance review policy will be used for all non-executives to ensure consistency of approach. | | |
|  | |  | | All roles are for a period of four years with an option to extend for a further four years subject to satisfactory performance. | | |
|  | |  | | Whilst appointees can serve in multiple roles (unless specifically conflicted), the total time spent at ARB cannot be more than eight years. Reappointments will be considered after a period of four years. There is one exception which is for the Inquirers role as the number of cases referred is minimal, maybe one per year and given their expertise the 8 year cap would not be applied. | | |
|  | |  | | Members of the Board or Independent non-executives of committee are unable to serve any other functions listed in **Annex A.** It is important to separate policy (which is the remit of the Board) from implementation of that policy as it could be deemed a conflict. | | |
|  | |  | | The existing Scheme of Delegation states:   | **Item** | **Action** | **Level of Authority** | **Narrative** | | --- | --- | --- | --- | | 48. | Appointment and re-appointment of all non-executives and advisors | Board | The Board, advised by the Remuneration and Appointments Committee, appoints members of:  the Investigations Pool; inquirers; Professional Conduct Committee members and chairs; examiners; independent examiners and all other external advisers. | | | |
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| **6.** | **Resource implications** | | | | |
|  | The cost of the proposal is factored into the budget for 2020/2021. | | | | |
| **7.** | **Risk Implications** | | | | |
|  | This proposal was developed to ensure clarity of process to ensure no policies are breached due to lack of clarity around appointments. Having a balance of Board and Executive ensures buy in from both group of stakeholders. | | | | |
| **8.** | **Communication** | | | | |
|  | ARB has in place an appointments policy that is practicable but gives the Board sufficient oversight of those carrying out work on its behalf. The policy creates a balance between developing expertise and creating new opportunities for people to work with ARB. | | | | |
| **9.** | **Equality and Diversity Implications** | | | | |
|  | The policy to limit the term of office available to appointees will increase the number of roles available to individuals in future, which will in turn encourage diversity. | | | | |
| **10.** | **Further Actions** | | | | |
|  | 1. Scheme of Delegation will be updated to reflect the new process 2. ARBs polices will be updated to reflect the new process 3. The General Rules will be updated as the next opportunity (est. December 2020/January 2021) | | | | |